

REPORT

To: GENERAL PURPOSES COMMITTEE	Subject: BELLSHILL POST OFFICE	
From: DIRECTOR OF ADMINISTRATION		
Date: 4 July 1996	Ref: CC/MBG	

1 Background

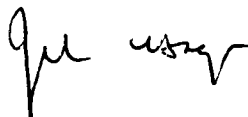
- 1.1 The Council has received a letter from Post Office Counters Limited on proposals to change the way in which the main Post Office in Bellshill is currently administered, to an "agency" Post Office. A copy of the letter is annexed to this report.
- 1.2 Post Office Counters Limited have advised that they are considering a number of options in relation to the proposals including:-
- (a) advertising for someone with retail skills, experience and initiative to provide Post Office Counter services, preferably alongside a suitable retail business in their own premises close to the present Post Office;
 - (b) as in (a) above but redeveloping the existing site and operating the Post Office Counter services in conjunction with a suitable retail business; and
 - (c) relocating to a purpose built unit within an established major retailer in the area. (Post Office Counters Limited have indicated that one retailer, Safeway, has already expressed an interest).

2 Consultation

An invitation from Post Office Counters Limited to attend Bellshill Community Centre on Thursday, 4 July 1996, where representatives would be available to answer questions on the proposals, was extended to local Members and Community Councils.

3 Conclusion

- 3.1 The Committee are asked to note that Post Office Counters Limited wish to receive comments, within six weeks of the above date, on any of the changes proposed.





Post Office Counters Ltd

DC/DH

10th June 1996

Mr A Cowe
 Chief Executive
 North Lanarkshire District Council
 PO Box 14
 Civic Centre
 MOTHERWELL
 ML1 1TW

Dear Mr Cowe

A NEW STYLE POST OFFICE IN BELLSHILL (ML4 1AA)

Over the last few months, considerable speculation has been generated regarding the future of the Post Office in Main Street, Bellshill.

Our present outlet is situated on a prime retail area of land due for redevelopment since Royal Mail vacated the sorting office and ancillary buildings on the site.

We propose changing the way we administer the main Post Office in Bellshill to an "agency" Post Office at or near the current location. The new style office will maintain its "main office" status continuing to provide all the transactions of the current office.

At this present time, we are considering a number of options including:-

- a) Advertising for someone with retail skills, experience and initiative to provide Post Office Counter services, preferably alongside a suitable retail business in their own premises close to the present Post Office;
- b) As in (a) above but redeveloping the existing site and operating the Post Office Counter services in conjunction with a suitable retail business;
- c) Relocating to a purpose built unit within an established major retailer in the area. It is commonly known that one retailer, Safeway, has already expressed an interest.

The principle differences between the first two options and the third are:-

Continued



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 Scotland & Northern Ireland
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 Nelson Mandela Place
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 Facsimile 0141 353 7020

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A NEW STYLE POST OFFICE IN BELLSHILL (ML4 1AA)

Any major retailer;-

- a) may not be on the Main Street but probably within 100 yards;
- b) will open much longer hours, typically double the present hours and provide 7 days a week service;
- c) be much closer to car parking;
- d) may be located closer to some bus routes and further from others.

There are considerable customer and business benefits to an agency Post Office operated in partnership with a local retailer including longer business hours, and a modern, much improved retail environment.

An agency Post Office also helps us reduce our direct costs and overheads which is vital if we are to provide a competitively priced service to major clients such as the Benefits Agency who are also seeking to drive down costs.

Additionally it will help us keep our public service commitment to maintain a nation-wide network of Post Offices especially in rural areas, which operate at a loss.

I appreciate the prospect of such a change can cause uncertainty. This is why I am writing to you at the very outset of the process of change.

At this stage of our planning, we would like to provide an opportunity for representatives of various groups to meet with Post Office Counters representatives to:-

- ♦ help explain our thinking behind this change;
- ♦ clarify the concept of a franchise / agency main Post Office; and
- ♦ provide reassurance about the standard of service.

I would like to invite you to the Bellshill Cultural Centre on Thursday 4 July 1996 where POCL representatives supported by various display material will be available from 2.00pm until 5.30pm to answer questions and explain how the change will occur. In the interim, I have enclosed some background information, including the most commonly asked questions and their answers. A press release about the change has been sent to the local media.

Any comments you have on the details of this change such as business hours, access or location, would be welcome within six weeks of the above date; but I would stress that I am confident the principle of the change will deliver good customer and commercial benefits.

Yours sincerely

DOUGLAS R CRAIK
 Head of Retail Network (West)
 ☎ 0141 353 7010



WHAT IS A FRANCHISE POST OFFICE?

- ◆ A franchise Post Office gives customers a brand new custom built Post Office with the full range of services and facilities including vehicle licences.

- ◆ There are now over 35 franchise Post Offices in Scotland: franchises include some of the best-known high street names, e.g. Safeway, the Co-op, Tesco, Presto and Asda.

- ◆ Each franchise Post Office is carefully planned and designed by Post Office Counters Ltd and the franchisee in partnership to meet the needs of the local community.

- ◆ Post Office Counters Ltd provides support on staff recruitment and trains all the staff, and the franchise Post Office is supported by a local Post Office Counters manager.

- ◆ Staff at the wholly owned Post Office are offered alternative employment within Post Office Counters Ltd.

- ◆ Franchisees are required to meet the highest standards of customer service under a stringent Post Office Counters Ltd contract, covering all aspects of service, and performance is continuously monitored, as at other Post Offices.

- ◆ Independent market research shows customers are very pleased with franchise Post Offices - a clear majority of people believe that franchise Post Offices are more convenient, more accessible, that opening hours are better and that waiting times have fallen.



**FREQUENT QUESTIONS OUR CUSTOMERS ASK ABOUT
FRANCHISE POST OFFICES**

- Question 1** **Won't standards of service suffer if the existing office is closed?**
- Answer No. Franchise Post Offices offer service at least as good as, and in many cases better than, the Post Offices they replace.
- The franchisee is contracted to offer a very high standard of service and aims to serve all customers within five minutes. Standards of service are continuously monitored by the franchisee and Post Office Counters Ltd, and each franchise Post Office is supported by a local Post Office Counters manager. Independent market research has shown that customers are very happy with franchise Post Offices.
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- Question 2** **Will any jobs be lost if the existing Post Office is closed?**
- Answer Post Office Counters Ltd aims to avoid compulsory redundancies and has a very good track record. Staff wishing to remain with the business will be offered alternative positions.
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- Question 3** **Will the franchise Post Office be staffed by untrained people?**
- Answer No. Post Office Counters Ltd supports the franchisee in recruiting new staff, who to have pass a Post Office aptitude test. Additionally, they are fully trained by Post Office Counters Ltd to handle the 160 transactions that are carried out in Post Offices.
- Staff at the office are employed by the franchisee, who is responsible for ensuring that the stringent service standards laid down in the operating contract are met.
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- Question 4** **What happens if the franchise business closes down?**
- Answer It is extremely unlikely that a franchisee would close down as our franchise partners are major high street names. however, if this should happen, Post Office Counters Ltd would immediately arrange an alternative service for the local community.



- Question 5** **Why is Post Office Counter Ltd franchising main Post Offices?**
- Answer It believes that franchising offers considerable benefits to customers. They get a brand new custom-built Post Office which offers customers a more convenient service than in the offices they replace, with significantly longer opening hours. They are generally in a more convenient location too.
- Question 6** **Do Post Office Counters Ltd save any money by franchising out these Post Offices?**
- Answer Yes. Post Office Counters Ltd save overheads such as, rent, power and staff costs because franchise Post Offices are not directly operated by Post Office Counters Ltd. This money can be reinvested in maintaining the national network of 20,000 Post Offices, including the 10,000 loss-making rural Post Offices which have to be subsidised. As Post Office Counters Ltd does not operate as a monopoly, containing our own direct costs is also important in being able to offer competitively priced services to major clients such as the Benefits Agency.
- Question 7** **How much does the franchisee have to pay to operate a Post Office?**
- Answer This is a matter of commercial confidence
- Question 8** **How much will staff be paid at the new franchise Post Office?**
- Answer This is a matter entirely for franchisee and staff
- Question 9** **Do you have a target number of Post Offices you intend to franchise?**
- Answer We do not have a specific number in mind. We certainly regard franchise Post Offices as successful, and, more importantly, so do the large majority of our customers - and will take up any suitable opportunities to introduce more.
- There are currently 36 franchise Post Offices in Scotland.



Question 10 **Won't local businesses lose trade if the existing Post Office is closed?**

Answer The new franchise Post Office will be in its own dedicated part of the store, and customers will be under no obligation to do their shopping there.

Post Offices operate in a competitive market place - some local businesses will, for example, be selling stamps. Our priority has to be to provide the best possible standard of service to our customers in the most cost-effective way possible.

Question 11 **Asking customers about this change?**

Answer When we announce that we intend to open a new franchise Post Office, we write to local organisations and representatives such as the local Post Office Advisory Council, local council, community council, MP, and Chamber of Commerce, to see whether they have any comments on business matters like opening hours. The decision to franchise is not subject to consultation. Any change is only made with the best interests of our customers in mind.